

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

April 7, 2020

FROM

BOB DUTTON, Assessor-Recorder-County Clerk

SUBJECT

Memorandum of Understanding with SECURE Owning Counties of Orange, Los Angeles, Riverside, and San Diego for the Use of the SECURE Electronic Recording Delivery System

RECOMMENDATION(S)

1. Approve a Memorandum of Understanding (**County Contract No. 20-164**) with SECURE owning Counties of Orange, Los Angeles, Riverside, and San Diego for the use of the SECURE Electronic Recording Delivery System, in an amount not to exceed \$750,000 beginning April 7, 2020 through August 18, 2023.
 2. Direct the Assessor-Recorder-County Clerk to transmit all documents in relation to the Memorandum of Understanding to the Clerk of the Board within 30 days of execution.
- (Presenter: Bob Dutton, Assessor-Recorder-County Clerk, 386-8708)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Revenue for these services is generated by fees collected pursuant to Government Code Section 27397 regarding electronic recording delivery systems such as official records evidencing ownership and encumbrances of real and personal property, and other miscellaneous records. The estimated total cost for the memorandum of understanding (MOU) is not to exceed \$750,000, with projected annual expenditures as follows:

Cost Center	Applicable Service	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
3110002344	E-Recording Delivery System	\$100,000	\$200,000	\$200,000	\$200,000	\$50,000

The recommended MOU will expire on August 18, 2023, but the annual expenditures are projected through FY2023-24 as the annual maintenance fee will be billed once per fiscal year, in the year following when the documents were recorded. SECURE will bill the Assessor-Recorder-County Clerk (ARC) an annual maintenance fee of \$0.30 per recorded document that is transmitted through the system in the previous calendar year as reported to the Office of the Insurance Commissioner pursuant to Section 27296 of the Government Code. Adequate appropriation and revenue have been included in the ARC 2019-20 Recorder Electronic

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Recording (3110002344) budget and will be included in future recommended ARC Recorder Electronic Recording (3110002344) budgets.

BACKGROUND INFORMATION

The Recorder-County Clerk division of ARC is responsible for accepting electronic transmission of recordable documents through an Electronic Recording Delivery System (ERDS) and recording the received documents electronically. Recordable documents include official records evidencing ownership and encumbrances of real and personal property, and other miscellaneous records. The Electronic Recording Delivery Act of 2004 allowed counties to accept specific digitized records for recording from authorized submitters, such as title companies and lenders. Electronic recording is a robust function within Recorders' offices statewide.

ARC currently uses the California Electronic Recording Transaction Network Authority (CERTNA) system to accept and record documents. On December 17, 2019 (Item No. 14), the Board approved ARC's withdrawal from JPA Agreement No. 07-719 with CERTNA effective July 1, 2020. CERTNA will continue to provide services through July 1, 2020, while SECURE works with ARC to configure the new ERDS for go live.

Approval of this recommended memorandum of understanding (MOU) will allow ARC to improve County government operations and operate in a fiscally-responsible and business-like manner by partnering with a group of locally-based Southern California like-sized counties to facilitate electronic recording within an existing ERDS. The Counties of Orange, Los Angeles, Riverside, and San Diego (Owner Counties) entered into an agreement to share the ownership and ongoing maintenance of a multi-county electronic recording delivery system, called the Statewide Electronic Courier Universal Recording Environment (SECURE). SECURE is compliant with the Electronic Recording Delivery Act of 2004. Orange County takes the lead role in supporting this multi-county system and is responsible for executing any agreements with counties that would like to use the system, upon approval of the other Owner Counties. The initial system was purchased by the County of Orange, and system development and enhancements were made using their county resources. Since 2017, County of Los Angeles has provided SECURE application support and maintenance services, and modification and enhancements as deemed necessary, and will continue to do so through at least 2023. There is a significant cost benefit to participating in a multi-county system as opposed to purchasing and maintaining a separate system, or participating in an ERDS that is not locally-based. ARC will also benefit from participating in the SECURE electronic delivery system by having the ability to collaborate with surrounding like-size counties on ways to establish and improve electronic recording processes for authorized submitters. Participation in the SECURE electronic delivery system will facilitate custom integration between the SECURE system and the Recorder-County Clerk system, which will provide for expedited processing and eliminate redundancy that currently exists.

PROCUREMENT

A competitive process was not utilized for this memorandum of understanding because SECURE is the only Electronic Recording Delivery System in Southern California composed of counties that are like-sized to the County of San Bernardino. The Purchasing Department supports this MOU and agrees with ARC's decision to join with SECURE owning counties for

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the use of the existing SECURE Electronic Recording Delivery System. County Policy No. 11-04 requires departments to obtain Board of Supervisors approval for the procurement of services over \$200,000 annually.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kristina M. Robb, Deputy County Counsel, 387-5455) on March 13, 2020; Purchasing (Leo Gomez, Purchasing Manager, 387-2063) on March 16, 2020; Risk Management (LeAnna Williams, Director of Risk Management, 386-8623) on March 16, 2020; Finance (Carl Lofton, Finance Analyst, 387-5404) on March 23, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-4342) on March 23, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: April 7, 2020



cc: Assessor- M. Garcia w/agree for sign
 Contractor- C/O Assessor w/agree
 File- w/agree
la 04/9/2020